

MEMORANDUM FOR THE RECORD

SUBJECT: Proposal to Establish Procedure for Charging Commercial Cables to Agency Components

1. A meeting was called on 23 February in the office of the undersigned to discuss subject. Messrs. [REDACTED] attended representing Communications, and Messrs. [REDACTED] representing the Office of the Comptroller.

2. Mr. [REDACTED] provided information concerning the origin of this proposal. In a discussion in the Office of the DD/S, the Director of Communications and Mr. [REDACTED] indicated to the DD/S that a procedure for charging the cost of commercial cables to the Agency components responsible for the incurrence of such costs would provide more realistic identification of the costs within the Agency. Mr. [REDACTED] did not have in mind a redistribution of commercial cable costs on an indirect costing basis to the Agency components, but rather a change in the procedure for costing such cable service whereby the Agency components would include, within their own budgets, estimates to cover such costs. Under this concept the actual amount paid for commercial cable services would be costed directly to the consuming components. Excluded from such treatment, however, would be costs of certain leased commercial cables which would continue to be budgeted for by and charged directly to the Office of Communications.

3. As a part of the foregoing proposal, the Office of Communications indicated that it would continue to analyze bills from the [REDACTED] covering commercial cable costs and determine the amount of costs applicable to each Agency consuming component. A summary report showing the amount of such costs would be furnished to this Office for distributing the costs to the affected components.

4. It was recognized that the funds budgeted for this purpose for fiscal years 1961 and 1962 would need to be made available by allotments to the affected components on the basis of tabulations provided by Communications showing use of commercial cables during the last two or three years. Further, it was recognized that adjustments would be required by the Agency components during both of such fiscal years based upon actual use as compared with the predetermined estimates.

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5. In view of the primarily budgetary aspects of this proposal, it was agreed that Mr. [REDACTED] and a representative of TAG would discuss this matter with the Budget Division and determine the feasibility of adopting the proposal effective for fiscal year 1961.

[REDACTED]

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Chief, Technical Accounting Staff

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Meeting mentioned in paragraph 5 was held on 24 February 1960. Messrs.

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[REDACTED] were the Budget Division representatives.

Mr. [REDACTED] indicated he would like to discuss subject with Mr. [REDACTED] and see the reports and schedules showing such costs for the past two or three years. He agreed to look at this further and advise.

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TAS/PWG/JCS/mab (25 February 1960)

Distribution:

- Orig. - TAS Subject
- 1 - Budget Division
- 1 - Mr. [REDACTED]
- ✓ 1 - Comptroller
- 1 - TAS Chrono
- 1 - TAS Reading

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